



(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Small Business Investment Act of 1958 to provide opportunities to rural business investment companies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. JOYCE of Ohio introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Small Business Investment Act of 1958 to provide opportunities to rural business investment companies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Capital Access
5 Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the term “Administration” means the Small
2 Business Administration;

3 (2) the term “Administrator” means the Ad-
4 ministrator of the Administration;

5 (3) the term “appropriate committees of Con-
6 gress” means—

7 (A) the Committee on Small Business and
8 Entrepreneurship of the Senate;

9 (B) the Committee on Agriculture, Nutri-
10 tion, and Forestry of the Senate;

11 (C) the Committee on Small Business of
12 the House of Representatives; and

13 (D) the Committee on Agriculture of the
14 House of Representatives;

15 (4) the term “rural business investment com-
16 pany” has the meaning given the term in section
17 384A of the Consolidated Farm and Rural Develop-
18 ment Act (7 U.S.C. 2009cc);

19 (5) the term “Secretary” means the Secretary
20 of Agriculture; and

21 (6) the term “working group” means the inter-
22 agency working group established under section
23 4(a).

1 **SEC. 3. RURAL BUSINESS INVESTMENT.**

2 (a) IN GENERAL.—The Small Business Investment
3 Act of 1958 (15 U.S.C. 661 et seq.) is amended—

4 (1) in part A of title III (15 U.S.C. 681 et
5 seq.)—

6 (A) in section 303(b)(2) (15 U.S.C.
7 683(b)(2)), by adding at the end the following:

8 “(E) INVESTMENTS IN RURAL AREAS.—

9 “(i) DEFINITION.—In this subpara-
10 graph, the term ‘rural area’ has the mean-
11 ing given the term in section 343(a) of the
12 Consolidated Farm and Rural Develop-
13 ment Act (7 U.S.C. 1991(a)).

14 “(ii) ADDITIONAL LEVERAGE.—

15 “(I) IN GENERAL.—In calcu-
16 lating the outstanding leverage of a
17 company for the purposes of subpara-
18 graph (A), the Administrator shall not
19 include the amount of the cost basis
20 of any equity investment made by the
21 company in a smaller enterprise lo-
22 cated in a rural area if the Adminis-
23 trator, after performing an appro-
24 priate evaluation, determines that
25 such an exclusion will not result in

1 additional risk to the Administration
2 or the Federal Government.

3 “(II) LIMITATION.—The amount
4 excluded under subclause (I) for a
5 company shall not exceed \$25,000,000
6 in any fiscal year.”;

7 (B) in section 308(g)(3) (15 U.S.C.
8 687(g)(3))—

9 (i) in subparagraph (D), by striking
10 “and” at the end;

11 (ii) in subparagraph (E), by striking
12 the period at the end and inserting “;
13 and”; and

14 (iii) by adding at the end the fol-
15 lowing:

16 “(F) the total number of rural business invest-
17 ment companies, as defined in section 321(a), that
18 received leverage from the Administration under sec-
19 tion 321 in the previous year, including the amount
20 of that leverage that each such rural business invest-
21 ment company received.”;

22 (C) in section 310(d)(1)(A) (15 U.S.C.
23 687b(d)(1)(A)), by inserting “(including each
24 rural business investment company that receives

1 leverage under section 321)” after “Each li-
2 censee”; and

3 (D) by adding at the end the following:

4 **“SEC. 321. RURAL BUSINESS INVESTMENT COMPANIES.**

5 “(a) DEFINITIONS.—In this section—

6 “(1) the term ‘covered amounts’ means, with
7 respect to a fiscal year, the amounts made available
8 for that fiscal year to grant leverage under this part
9 to small business investment companies;

10 “(2) the term ‘rural business investment com-
11 pany’ has the meaning given the term in section
12 384A of the Consolidated Farm and Rural Develop-
13 ment Act (7 U.S.C. 2009ce); and

14 “(3) the term ‘Secretary’ means the Secretary
15 of Agriculture.

16 “(b) LEVERAGE.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 if the Administration determines under subsection
19 (c) that the Administration will be unable to expend
20 all of the covered amounts for a particular fiscal
21 year, the Administration shall expend those unex-
22 pended covered amounts for that fiscal year to grant
23 leverage to rural business investment companies for
24 the purposes described in this part if, with respect
25 to that fiscal year, the Secretary determines that the

1 Secretary is unable to grant leverage to rural busi-
2 ness investment companies in a manner that is suffi-
3 cient to satisfy the leverage needs of those rural
4 business investment companies.

5 “(2) CONDITIONS.—With respect to leverage
6 granted by the Administration to a rural business
7 investment company under paragraph (1)—

8 “(A) the amount of the leverage made
9 available shall be subject to the limitations
10 under section 303(b)(2);

11 “(B) for the purposes of subparagraph
12 (A), any leverage granted by the Secretary to
13 the rural business investment company under
14 the program carried out under subtitle H of the
15 Consolidated Farm and Rural Development Act
16 (7 U.S.C. 2009cc et seq.) shall be included
17 when determining the maximum amount of out-
18 standing leverage that may be made available to
19 the rural business investment company under
20 this section; and

21 “(C) the Administration, in consultation
22 with the Secretary, shall—

23 “(i) impose such terms and conditions
24 with respect to the leverage that the Ad-

1 ministration and the Secretary determine
2 to be appropriate; and

3 “(ii) in developing the terms and con-
4 ditions described in clause (i)—

5 “(I) ensure, to the maximum ex-
6 tent practicable, that those terms and
7 conditions are not—

8 “(aa) duplicative of other re-
9 quirements applicable to rural
10 business investment companies;
11 or

12 “(bb) otherwise unnecessary;
13 and

14 “(II) take into consideration how
15 rural business investment companies
16 that have been issued a license by the
17 Secretary under section 384D(e) of
18 the Consolidated Farm and Rural De-
19 velopment Act (7 U.S.C. 2009cc-3(e))
20 before the date of enactment of this
21 section could qualify to receive that le-
22 verage.

23 “(c) INTERNAL EVALUATION.—Not later than June
24 1 of each year, the Administration shall perform an eval-
25 uation to determine whether the Administration will be

1 unable to expend all of the covered amounts for the fiscal
2 year in which the evaluation is made.”; and

3 (2) in section 503(g) (15 U.S.C. 697(g)), by in-
4 serting “, and with respect to leverage granted
5 under section 321,” after “retained by the Adminis-
6 tration under this section”.

7 (b) SBA REQUIREMENTS.—

8 (1) ESTABLISHMENT OF APPLICATION PROC-
9 ESS.—Not later than 180 days after the date of en-
10 actment of this Act, the Administrator, in consulta-
11 tion with the Secretary, shall establish a process
12 through which a rural business investment company
13 may apply for leverage granted under section 321 of
14 the Small Business Investment Act of 1958, as
15 added by subsection (a) of this section.

16 (2) UPDATE TO RULES.—Not later than 180
17 days after the date of enactment of this Act, and in
18 addition to the process established under paragraph
19 (1), the Administrator shall make any updates to the
20 rules of the Administration that are necessary as a
21 result of this section and the amendments made by
22 this section.

23 **SEC. 4. INTERAGENCY WORKING GROUP.**

24 (a) ESTABLISHMENT.—Not later than 180 days after
25 the date of enactment of this Act, the Administrator, in

1 consultation with the Secretary, shall establish an inter-
2 agency working group to develop—

3 (1) administrative recommendations for improv-
4 ing the coordination between the Administration and
5 the Department of Agriculture in administering the
6 program carried out under part A of title III of the
7 Small Business Investment Act of 1958 (15 U.S.C.
8 681 et seq.) and the program carried out under sub-
9 title H of the Consolidated Farm and Rural Devel-
10 opment Act (7 U.S.C. 2009cc et seq.), respectively;
11 and

12 (2) legislative recommendations for improving
13 capital access and investment in rural areas of the
14 United States through the programs described in
15 paragraph (1), including by increasing the number
16 of licensees under those programs.

17 (b) MEMBERS.—

18 (1) IN GENERAL.—The Administrator, in con-
19 sultation with the Secretary, shall appoint to the
20 working group such representatives from the Admin-
21 istration and the Department of Agriculture, and
22 such non-Federal industry stakeholders, as the Ad-
23 ministrator, in consultation with the Secretary, de-
24 termines to be appropriate.

1 (2) COMPENSATION.—No member of the work-
2 ing group may receive any compensation by reason
3 of the service of the member on the working group.

4 (c) REPORT TO CONGRESS.—Not later than 180 days
5 after the date on which the working group is established
6 under subsection (a), the working group shall submit to
7 the appropriate committees of Congress a report that con-
8 tains—

9 (1) the administrative actions that the Adminis-
10 tration and the Department of Agriculture should
11 take to make the improvements described in para-
12 graph (1) of that subsection; and

13 (2) the legislative recommendations described in
14 paragraph (2) of that subsection.

15 (d) TERMINATION.—The working group shall termi-
16 nate upon submission of the report required under sub-
17 section (c).

18 (e) IMPLEMENTATION OF RECOMMENDATIONS.—Not
19 later than 90 days after the date on which the working
20 group submits the report required under subsection (c),
21 the Administration and the Department of Agriculture
22 shall take the administrative actions described in para-
23 graph (1) of that subsection.

24 (f) INAPPLICABILITY OF FEDERAL ADVISORY COM-
25 MITTEE ACT.—The Federal Advisory Committee Act (5

1 U.S.C. App.) shall not apply with respect to the working
2 group or the activities of the working group.

